

Meeting: IPSASB Consultative Advisory Group

Meeting Location: Toronto, Canada

Meeting Date: June 17, 2019

Agenda Item 7

For:

- ☐ Approval
☒ Discussion
☒ Information

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HERITAGE

Project summary	The Heritage project addresses financial reporting for heritage.	
Meeting objectives	Topic	Agenda Item
Discussion items	Symbolic value to measure heritage assets	7.1
	Operational/non-operational distinction for measurement of heritage assets	7.2
Other supporting items	IPSASB Due Process Checklist	7.3

Agenda item 7.1

Symbolic value to measure heritage assets: In public interest?

Introduction

1. This paper aims to support CAG members' discussion of whether there is a public interest case for using symbolic value to measure heritage assets. It provides information on:
 - (a) The meaning of "symbolic value;"
 - (b) Two Views on the relevance of symbolic value for reporting heritage assets;
 - (c) Issues to consider when assessing the two Views; and
 - (d) Background to the debate (IPSASB's and constituents' views).

Symbolic Value and Measurement of Heritage Assets

2. "Symbolic value" measures assets at one unit of the presentation currency (1 CU).
3. Some national jurisdictions propose symbolic value to measure all heritage assets, on the basis that no normal measurement can convey their heritage value. Others propose symbolic value for a subset of heritage assets, for example, those heritage assets:
 - (a) With outstanding heritage significance; or
 - (b) That are unmeasurable using other measurement bases.

Two Views on the Relevance of Symbolic Value

4. This paper focuses on two views in support of the use of symbolic value:

View 1—Recognize and manage: Heritage assets are better managed when they are recognized in the statement of financial position (also called the "balance sheet") and this is so even if they are only recognized at 1 CU. Supporters of this view believe that use of symbolic value is important for stewardship purposes. Even though the Conceptual Framework does not support symbolic value it should still be permitted.

View 2—Record and disclose: Symbolic value is for record-keeping purposes only. Heritage assets measured at 1 CU should not be recognized in the financial statements, but it may be useful to have disclosures about those heritage assets either in the financial statements or in other reports outside of the financial statements. Supporters of this view believe that the tracking of heritage assets is what will bring the broader stewardship benefits of better management.

Issues Raised by the Two Views

5. These two Views describe the benefits of using symbolic value to measure heritage assets. The public interest will be served by reporting approaches that provide better management and better stewardship for heritage items. An overarching question is what financial reporting approach will, on balance, provide the best approach, which means that these two Views should not be considered in isolation from other possible measurement approaches. Further questions to consider include:
 - (a) Can the benefits described in each view be achieved without using symbolic value?
 - (b) In what circumstances would symbolic value be used when applying each View?

- (c) Does use of symbolic value provide the information that external users of the financial statements need for accountability and decision making?
- 6. Arguably the claimed benefits could be achieved without use of symbolic value. Information systems can collect a variety of heritage-related information for internal management and for external reporting, without changing the basis of measurement used in the financial statements. For example, service performance information on an entity's responsibilities to preserve a heritage portfolio can be collected and reported externally with benefits for management, stewardship, and accountability.
- 7. In situations where another, more appropriate measurement basis can be used (e.g. historic cost) heritage assets can be recognized and managed (benefits claimed for View 1) and the accounting record linked to further disclosures (benefits claimed for View 2) without recourse to symbolic value. Then symbolic value would not provide any additional benefits, while replacing a measurement basis that better supports the objective of measurement. Therefore, it is important to clarify the circumstances in which symbolic value would be used to measure heritage assets.
- 8. Those arguing for use of symbolic value have different views on when it would be used, with proposals including use:
 - (a) Only during transition to full recognition of all measurable heritage assets;
 - (b) With a specific subset of heritage assets (for example, non-operational heritage assets);
 - (c) For all heritage assets, even when another measurement basis is available; or
 - (d) With all heritage items, regardless of whether they are assets from the perspective of the reporting entity (e.g. when monitoring the state of heritage across different entities).
- 9. The benefits attributed to each View do not refer to the users of general purpose financial reports. Financial reporting standards focus on the needs of external users (rather than preparers) for information useful for accountability and decision making (rather than internal management). The IPSASB's focus is on external users' information needs, which is appropriate for its role setting financial reporting standards. The next section explains that:
 - (a) The IPSASB has consistently concluded that symbolic value is not appropriate for the information in the financial statements; and
 - (b) Some constituents consider that symbolic value is appropriate for financial reporting purposes, while other disagree.

Background to the debate: IPSASB's and constituents' views on symbolic value

IPSASB Views on Symbolic Value

- 10. The IPSASB debated symbolic value during development of its Conceptual Framework and concluded that symbolic value does not meet the objective of measurement of assets and liabilities for presentation in the financial statements. Consultation papers (CPs) issued recently on financial reporting for heritage and on measurement also take the view that symbolic value is not an appropriate measurement basis. ([Appendix A](#) has more detail on the IPSASB's considerations of symbolic value.)

Responses to the Heritage CP Question on Use of 1 CU in Limited Circumstances

11. The IPSASB's Heritage CP asked respondents whether they agreed with initially recognizing heritage assets at a nominal cost of 1 CU when initially recognizing heritage assets if historical cost is zero, such as when:
 - (a) An asset is fully depreciated before being categorized as a heritage asset and transferred to the entity, or
 - (b) An entity obtains a natural heritage asset without consideration.
12. Most respondents disagreed with using 1 CU in these circumstances (23 of the 40 responses, 58%). However, 11 respondents (28%) agreed and three (7%) partially agreed.
13. [Appendix B](#) provides a selection of responses to this SMC, which illustrate the main arguments for and against use of 1 CU. These responses have been selected to illustrate a wide range of arguments and views from different regions, including Australasia, Africa, Europe, Latin America, and North America. All responses to the Heritage CP are available from the IPSASB's website, either as [individual responses](#) or in the overarching [staff analysis](#) provided to the IPSASB' December 2017 meeting, where responses to the 1 CU question (SMC–Chapter 4.1) begin at page 75 of the document.

Question to CAG Members

What are your views on whether there is a public interest case for using symbolic value to measure heritage assets?

Appendix A

IPSASB Views on Symbolic Value

Conceptual Framework—Symbolic value does not meet the measurement objective

1. For the Conceptual Framework the majority of IPSASB members concluded that symbolic values do not meet the measurement objective:

BC7.40 In some jurisdictions certain assets are recognized on the statement of financial position at symbolic values, typically one unit of the presentation currency. This treatment is adopted in order to recognize assets on the face of the statement of financial position when it is difficult to obtain a valuation. Supporters of symbolic values consider that they provide useful information to users of financial statements and facilitate a linkage between asset management and accounting processes.

BC7.41 The IPSASB acknowledges that such an approach is intended to provide useful information. However, the majority of IPSASB members took the view that symbolic values do not meet the measurement objective, because they do not provide relevant information on financial capacity, operational capacity or the cost of services. The majority of the IPSASB concluded that the decision whether to recognize an item as an asset should be made following an assessment of whether the item meets the definition of an asset and recognition criteria in Chapter 5, *Elements in Financial Statements*, and Chapter 6, *Recognition in Financial Statements*. The IPSASB also accepted that, in cases where, it is impossible or very costly to obtain a valuation, it is important that the information to be provided through disclosures is carefully considered at standards level¹.

IPSASB Consultation Papers—Heritage (2017) and Measurement (2019)

2. In its Heritage CP the IPSASB's preliminary view (PV) was that symbolic value is not appropriate for the measurement of heritage assets.

PV-Chapter 4.2: In many cases it will be possible to assign a monetary value to heritage assets. Appropriate measurement bases are historical cost, market value and replacement cost.

3. The Heritage CP describes arguments for symbolic value as follows:

4.10. Some argue that a monetary value cannot show the value of heritage assets, which is their heritage significance. From this perspective, either a monetary value understates the heritage assets' value in terms of service potential or incorrectly implies that heritage significance can be represented with a monetary value. These are the arguments in favor of a "symbolic value" for heritage assets, which could be one currency unit.

"Nominal Cost of 1 Currency Unit" distinguished from Symbolic Value

4. However, the Heritage CP also describes arguments for use of 1 CU as a nominal cost:

4.16. Some take the view that there are cases where initial historical cost is zero; for example, where an asset was fully depreciated before being categorized as a heritage asset and transferred to the entity, or where an entity obtains a natural heritage asset without consideration. In such cases if the controlling entity intends to incur subsequent capital expenditure, which is not separable from the underlying asset, they propose that a nominal cost of one currency unit should be used at initial recognition.

¹ Excerpt from the basis for conclusions for Chapter 7 of the Conceptual Framework.

4.17. Those who support this approach consider that it provides useful information. They consider that this approach differs from symbolic value and is consistent with an historical cost approach. Those who do not support this approach argue that it does not provide information that is useful for decision-making and accountability purposes.

5. The IPSASB included the following specific matter for comment in the heritage CP, asking constituents for their views on initially recognizing heritage assets at a nominal cost of one currency unit where historical cost is zero:

Specific Matters for Comment—Chapter 4.1

Do you support initially recognizing heritage assets at a nominal cost of one currency unit where historical cost is zero, such as when an asset was fully depreciated before being categorized as a heritage asset and transferred to the entity, or an entity obtains a natural heritage asset without consideration? If so, please provide your reasons.

6. Most CP respondents disagreed with using 1 CU in these circumstances (23 of the 40 responses, 58%). 11 respondents (28%) agreed and three (7%) partially agreed. Respondents who supported use of 1 CU where historical cost is zero mainly cited the difficulty of heritage measurement and the meaning of the resulting information as the basis for their agreement.

IPSASB's CP, *Measurement*

7. In its CP, *Measurement*, the IPSASB does not refer to symbolic value and does not identify it as a measurement basis applicable to assets. There is no reference to the use of 1 CU as a nominal cost.

APPENDIX B

RESPONSES TO CONSULTATION PAPER: USE OF 1 CU

Respondent agreed or partially agreed with use of 1 CU in some circumstances

02 Conseil de Normalisation des Comptes Publics (CNOCP) (France, Standard Setter/Advisory Body)

With respect to measurement, we would support initial measurement at one currency unit for very specific heritage assets, for lack of a better way to convey the heritage significance of those heritage assets. Even more important is the fact that keeping track of those assets allows for recognition of subsequent expenditures. Also, setting up national regulation well reflects the sovereign power's decision to put emphasis on the specific features of those outstanding assets, on the fact that some assets cannot be sold and belong to the public domain. In our opinion, addressing measurement for those very specific heritage assets would justify by itself the need for standalone requirements; otherwise, we would fail to see the need to develop a standard. To the extent that users' needs are met, we would advocate that there is no hierarchy in terms of quality of information provided between recognising a heritage asset at one currency unit and disclosing relevant information only in the notes to the accounts on the basis that the asset cannot be reliably measured. In addition, applying complex measurement methods to some very remarkable assets would outweigh by far the cost/benefit ratio. Eventually, increased complexity in measurement methods could lead to inconsistent measures for assets that would convey similar heritage significance.

12 FOCAL (Working Group representing Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Paraguay and Peru) International, Latin America)

Partially agree

- Although it is agreed, because it is preferable that the asset is recognized, it is suggested to have evidence of the asset in the notes to the financial statements.
- Considering that the purpose of the measurement is to expose the potential benefits to be considered by the asset, a single monetary unit may not be the appropriate sample. The nominal cost does not meet the reliable measurement condition.
- If the historical asset will not offer future economic benefits, nor can it estimate its market value, then it is not worth it to be included in the financial statements.
- If it is obtained at no cost, it is more than likely that the donor has a reference to the amount that would be recognized under NICSP 23 Transactions Income without consideration (Taxes and Transfers), since the transfers include donations.

24 Public Sector Accounting Standards Board (PSASB) (Kenya Standard Setter)

PSASB supports initially recognising heritage assets at a nominal cost of one currency unit where historical cost is zero or where an entity obtains a natural heritage item without consideration. PSASB considers that this approach provides useful information to users of GPFRs for purposes of accountability and decision making. By recognising these assets at one currency unit, an entity will be compelled to provide information on preservation of this item and will be held accountable by users of the financial statements on preservation or failure to do so. In order for this objective to be met and for the information to be useful, entities will need to make full disclosures on the heritage assets recognised at nominal cost.

For example, where an entity recognises a mountain at nominal cost, disclosure needs to be made on the altitude, acreage/size, location, and special features within the mountain, amounts incurred to preserve it during the period, among other quantitative and qualitative disclosures. Such a disclosure would compel the reporting entity to ensure the items are for example safeguarded from being excised since users will demand explanations for reduction in the asset acreage.

31 Office of the Auditor General of Canada (OAG) (Canada Audit Institutions)

Yes, we support this approach as one option for a starting point to address user information needs. On its own, however, the recognition of heritage assets at a nominal cost of one currency unit is unlikely to be sufficient. What would be useful to users of general purpose financial reports in relation to such heritage assets would be additional qualitative information about, for instance, the nature, purpose and use of the asset provided elsewhere in the general purpose financial report either in the notes to the financial statements or outside the financial statements. At the same time, user information needs may be met simply through disclosure of such qualitative information, without the need to record a nominal cost of one currency unit on the entity's statement of financial position.

We do not support the view in paragraph 4.16 of the consultation paper that it is necessary for an entity to record a one currency unit on initial recognition to then be able to capitalize subsequent capital expenditure as tangible capital assets on the statement of financial position. When subsequent capital expenditures are incurred in relation to a heritage asset with a historical cost of zero, those subsequent capital expenditures should be assessed against the recognition criteria for tangible capital assets based on their nature to determine if capitalization is appropriate, irrespective of the fact that the underlying heritage asset has a historical cost of zero.

Respondent disagreed with use of 1 CU

27 New Zealand Accounting Standards Board (NZASB) (Standard Setter)

General Comments—Excerpt. Despite our broad support for many of the proposals in the CP we disagree with the suggestion that, in some situations, heritage assets could initially be recognised at a nominal cost of one currency unit. Our outreach provided a unanimous view from constituents, which the NZASB concurs with, that the nominal cost of one currency unit is not an appropriate measurement basis for heritage assets. This approach would not promote consistent measurement practices and would most likely be perceived as offensive and culturally insensitive, given the New Zealand view of heritage.

We acknowledge that financial statements have limitations and that valuations used for financial reporting have limitations. Financial statements are not the sole source of information for decision making and accountability. There will be other valuations used for other purposes and a role for additional information about heritage items, possibly in the financial statements, but also in service performance information or other reports. Despite the limitations of financial statements and the measurement of items for financial reporting purposes, this does not stop us from striving for completeness in financial reporting when the recognition requirements are satisfied.

Response to SMC 4.1 on Use of 1 CU: In providing our response below, we have focused on the appropriate accounting treatment for an entity that is already applying IPSAS (i.e. not a first-time adopter of IPSAS) and the appropriate treatment on an on-going basis (i.e. not on first-time application of a new standard requiring recognition of heritage assets for the first time). We consider that transitional provisions (including whether any pragmatic relief should be provided to entities that have not recognised heritage assets previously) should be considered separately. We suggest that the IPSASB take a flexible approach to establishing

transitional requirements, particularly those applying to entities which are determining deemed costs from current values for heritage assets on transition.

The NZASB does not support the recognition of heritage assets at one currency unit. Although this may be a pragmatic solution, we believe that perceptions about ascribing notional values are likely to vary across jurisdictions, and could be regarded as culturally insensitive. Our discussions with the Māori people about heritage has confirmed that this is the case in New Zealand.

We note that the recognition criteria in the Conceptual Framework require that items be measured in a way that satisfies the qualitative characteristics. Application of a one currency unit nominal cost contravenes the qualitative characteristics of relevance, faithful representation, comparability and verifiability. We also note that, conceptually, applying a value of one currency unit is quite different to depreciating an asset to zero.

A nominal cost approach is inconsistent with how we account for other assets that an entity receives in exchange for no consideration, such as donated non-heritage property, plant and equipment. IPSAS 17 requires that where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Heritage items are sometimes difficult to value because they are unique, or have no ready market. However, we note that this difficulty is not limited to heritage items; many non-heritage items are also difficult to value.

We consider that when heritage items meet the asset recognition criteria, the measurement requirements at initial recognition should be consistent with the accounting for other assets.

28 Accounting Standards Board (ASB) – Secretariat (South Africa Standard Setter)

We do not support the approach to recognise items at one currency unit in any of the scenarios described in paragraph 4.16 and the specific matter for comment. We consider that paragraph 4.16 and the specific matter for comment aim to deal with issues related to the transfer and acquisition of heritage assets in a non-exchange transaction, as well as the potential reclassification of existing assets within an entity, e.g. when a heritage item is reclassified from an existing category of assets such as property, plant and equipment.

Paragraph 4.16 proposes that historical cost is zero where, for example, the asset was fully depreciated before being transferred to the entity. In our view the fully depreciated value of the asset will reflect the value of the asset for the entity transferring the asset. The entity receiving the asset should apply the principles in IPSAS 23, *Revenue from Non-exchange Transactions (Taxes and Transfers)* and measure the asset at fair value on initial recognition.

Recognising a heritage asset received at no or a nominal cost at one currency unit is different to the principles in other IPSASs that require all other assets received in a non-exchange transaction to be measured at fair value. We consider that the special characteristics of heritage resources do not preclude them from being measured in the same way as other assets, and therefore recommend that the same principle be applied to heritage.

Initially recognising heritage assets received at no or a nominal cost at one currency unit where historical cost is zero (or in any situation) does not, in our view, meet the qualitative characteristics of relevance and faithfully representation. In addition, if the concerns raised in paragraph 4.16 relate simply to the re-categorisation of assets by an entity, any future guidance developed by the IPSASB on accounting for heritage could provide principles on measuring assets when there is a change in classification.

Treatment of subsequent expenditure

We are of the view that, irrespective of the value at which a heritage asset was initially recognised by an entity, any subsequent expenditure incurred should be accounted for in the same way as other assets, i.e. any subsequent expenditure incurred that will enhance the heritage asset's service potential and economic benefits should be capitalised. Furthermore, expensing subsequent costs on some heritage assets while capitalising the costs in other instances will, not result in relevant information to users of the financial statements for decision making.

As we consider that the special characteristics of heritage resources are no different to that of other resources, we recommend that the same principle on the treatment of subsequent expenditure that applies to other assets, should apply to heritage assets.

30 IPSAS Working Group: Federal Ministry of Finance and Court of Audit (Austria Other)

No, we don't support recognition with a symbolic value. If a heritage asset is fully depreciated it should be recognized with the historical cost amount of zero.

In our discussions there were also some questions arising:

- Why is there a restriction to natural heritage?
- Why should a natural heritage asset obtained without consideration be treated differently from a natural heritage asset that had been acquired or already owned by an entity?
- Are there technical reasons for favoring a symbolic value?

Agenda item 7.2

Operational/non-operational distinction: Clear and useful?

Introduction

1. This paper aims to support CAG members' discussion of whether classifying heritage assets as either operational or non-operational is useful when developing guidance on financial reporting for heritage assets. It provides information on:
 - (a) The meaning of operational/non-operational when applied to heritage assets;
 - (b) Possible financial reporting implications; and
 - (c) Constituents' views and recent Heritage Task Force discussions on this distinction.

Background

Operational and non-operational heritage assets

2. Operational heritage assets are those that, in addition to being held for heritage purposes, are also used by the entity for other activities or to provide other services. Another way to describe them is as heritage assets used for a non-heritage purpose. Non-operational heritage assets are those that are held by the entity primarily to pursue its overall objectives in relation to the maintenance of the heritage.

Examples of operational and non-operational heritage assets

3. Operational heritage assets include, for example, roads, bridges, railway stations, government buildings, and water treatment plants, which are viewed as heritage items but continue to operate either as originally intended (i.e. as roads, etc.) or with new, non-heritage functions (e.g. an historic hospital building converted into a student hostel or a council building now used as a library).
4. Non-operational heritage assets include, for example, museum collections, heritage sculptures in city parks, and heritage items held purely for their heritage value, which is to be admired, appreciated, and studied. The entity holds these heritage assets purely for heritage purposes.

Origins of the Operational/Non-operational Distinction

5. One origin for this distinction is the United Kingdom (UK), although a similar idea is also used by the United States' Federal Accounting Standards Advisory Board (FASAB). The United Kingdom Treasury's "*Government Financial Reporting Manual*" describes heritage assets as follows:

Assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. They are held by the entity in pursuit of its overall objectives in relation to the maintenance of the heritage. Non-operational heritage assets are those that are held primarily for this purpose. Operational heritage assets are those that, in addition to being held for heritage purposes, are also used by the entity for other activities or to provide other services (the most common example being buildings).

Possible financial reporting implications

6. Some national jurisdictions take the approach that IPSAS 17, *Property, Plant and Equipment*, can be applied to operational heritage assets, given that these assets are being used like “ordinary” non-heritage assets. Then non-operational heritage items are not recognized on the basis that they:
 - (a) Are not resources from the reporting entity’s perspective and are not, therefore, assets for financial reporting purposes; and/or
 - (b) Cannot be measured.
7. Other jurisdictions do not apply this distinction. Instead they apply generic asset existence and recognition criteria to heritage items. If a heritage item is an asset then it should, wherever possible, be measured and recognized. If asset existence is at the center of the assessment, then the focus is mainly on whether the item is a resource from the entity’s viewpoint, with service potential or future economic benefits².

IPSASB Discussion of Operational/Non-Operational Distinction for Heritage Assets

8. The IPSASB will discuss this distinction and its possible implications in June. This distinction was not a focus during development of the Heritage CP. However, using this distinction may facilitate the heritage project’s next steps. If the IPSASB decides that *operational* heritage assets should be accounted for using IPSAS 17, then next steps could focus on developing guidance for *non-operational* heritage assets.

Discussions leading up to June: Conceptual Framework, Heritage CP, and Heritage Task Force

9. The operational/non-operational distinction has not previously been used in IPSAS. The Conceptual Framework does not refer to it, nor do IPSASs³. The critical issue when applying Conceptual Framework’s asset criteria to a controlled heritage item is whether it is a “resource” to the entity. A resource is an item with service potential or the ability to generate economic benefits. Service potential is the capacity to provide services that contribute to achieving the entity’s objectives. Arguably both operational and non-operational heritage items can have service potential, as indicated by these two examples:
 - (a) A heritage building which the Ministry of Culture occupies and uses as office space for its objective of providing policy advice on heritage preservation; and
 - (b) A museum collection which the National Museum uses to achieve its objectives of making heritage accessible to the public.

Responses to the Heritage CP and Heritage Task Force Discussions

10. The IPSASB’s 2018 Heritage CP, has one reference to “operational assets,” which states that:

“4.35. It may be relatively straightforward to obtain monetary values, for example, when...replacement costs are available to value heritage assets that are also operational assets; ...

² For an entity to have an asset, there needs to be a *resource* (from the entity’s perspective), over which the entity presently has *control* as the result of a *past event*.

³ The term “operational assets” is used once in IPSAS. IPSAS 37, *Joint Arrangements*, uses the term in an appendix and gives examples (office equipment, motor vehicles, etc.) (paragraph IE18, IPSAS 37).

11. Although the Heritage CP did not ask respondents about this distinction several respondents referred to it in their responses. Comments included that:
- (a) IPSASB should consider splitting heritage assets between operational and non-operational assets.
 - (b) If using the operational and non-operational distinction, then 'operational' and 'non-operational' heritage assets' will need clear definitions and accounting principles will be needed to address transfer between these categories.
 - (c) If heritage assets are being used for operations (i.e. uses other than preservation as heritage) then consider measurement implications of this, including that consumption (or depreciation) of the asset indicates an eventual need to replace components raising issue of accounting for subsequent expenditures (capitalize or expense).

Recent Heritage Task Force Discussions

12. In April of this year the Heritage Task Force discussed the operational/non-operational distinction. Task Force members commented that this distinction does not affect recognition of heritage assets but could possibly be important for their measurement, although Task Force members had different views on this. Some Task Force members are of the view that the distinction will be useful for developing guidance on heritage measurement. Comments included:
- (a) If the distinction is valid then the proposed approach would be to apply the same requirements to operational Heritage assets as for other non-heritage assets, while extra guidance (or special measurement requirements) would be needed for the non-operational heritage assets.
 - (b) The descriptions would need to be improved to be useful.
 - (c) Doubt about the ability to reliably apply this distinction.
 - (d) If heritage assets are also used for other purposes then the level of maintenance might be higher, or their useful life different.
 - (e) Questioned whether there are any other measurement differences between operational and nonoperational heritage assets (apart from the level of maintenance and useful life).

Question to CAG Members

Do CAG members agree that classifying heritage assets as either operational or non-operational is useful when developing guidance on financial reporting for heritage assets?

Agenda Item 7.3

IPSASB Due Process Checklist Checklist

Project: Heritage

#	Due Process Requirement	Yes/No	Comments
A. Project Brief			
A1.	The IPSASB approved the project brief in a public meeting.	Yes	The IPSASB considered the project brief at its March and June 2015 meetings. The project brief was approved in June 2015 (see page 27 of the June 2015 minutes).
A2.	The IPSASB CAG has been consulted on the project brief.	N/A	This step was not in effect for this project ⁴ .
B. Development of Proposed International Standard			
Development of Consultation Paper			
B1.	The IPSASB has considered whether to issue a consultation paper (CP) or undertake other outreach activities to solicit constituents' views.	Yes	The project brief states that there will be a CP. The CP was approved in March 2017 and is available on the IPSASB's website at this link .
B2.	If comments have been received through a CP or other public forum, they have been considered in the same manner as comments received on an exposure draft.	Yes	The IPSASB considered comments on the CP at its December 2017 meeting (see relevant agenda papers). The discussion record begins at page 18 of the minutes for that meeting. Constituents' comments continue to inform the IPSASB's deliberations.
B3.	The IPSASB CAG was consulted on significant issues during development of the CP.	Yes	Consultation with the CAG occurred at the following CAG meetings: December 2016— agenda paper and minutes . December 2017— agenda papers and minutes . The IPSASB continues to consult with the CAG on significant issues as it goes forward.
Development of Exposure Draft			
B4.	<i>To be completed as the IPSASB undertakes next steps.</i>		

Useful Links

[IPSASB Heritage project page](#)

[CP, Financial Reporting for Heritage in the Public Sector](#)

⁴ The CAG's first meeting was in June 2016.